

Message Text

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PAGE 01 NEW DE 17189 241746Z

70

ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 PA-01 PRS-01 H-02 L-03 /085 W

----- 025009

R 241140Z DEC 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3015

LIMITED OFFICIAL USE NEW DELHI 17189

FOLLOWING TEL CALCUTTA 3050 DTD 24 DEC 75 RCVD NEW DELHI

BEING REPEATED TO YOU. QUOTE

LIMITED OFFICIAL USE CALCUTTA 3050

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJ: MCNALLY-BHARAT--OPIC CLAIMS

REFS: A. STATE 294571; B. NEW DELHI 16909; C. CALCUTTA 2416

1. ON DEC 9, THE RBI APPROVED REMITTANCE TO MCNALLY PITTSBURG OF RS 397,609--DIVIDEND FOR YEAR ENDING NOV 30, 1974. REMITTANCE TRANSFERRED BY GRINDLAYS BANK ON DEC 12 AT RATE OF \$11.06 PER RS 100, FOR TOTAL OF \$43,975.

2. ACCORDING TO RBI, SEQUENCE IS AS FOLLOWS:
AUGUST 7--MCNALLY-BHARAT SUBMITTED REQUEST TO REMIT 1974 DIVIDEND
AUGUST 14--RBI REQUESTED VARIOUS DETAILS
NOV 27--NECESSARY DOCUMENTS
RECEIVED BY RBI FROM MCNALLY-BHARAT
DEC 9--RBI ISSUED PERMIT TO REMIT DIVIDEND
BOTH RBI AND VERGHESE, SECRETARY OF MCNALLY-BHARAT, SAY THAT NO
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DOCUMENTS WERE SUBMITTED IN OCTOBER. EMBASSY'S REFTEL (B) APPARENTLY

CORRECT THAT THESE DOCUMENTS WERE WHAT WAS IN FACT SUBMITTED ON NOV 26. ACCORDING TO MCNALLY-BHARAT COVERING LETTER, WHAT HAD BEEN REQUESTED AND WHAT THEY WERE SUBMITTING WAS FOLLOWING:

A. FRESH CERTIFICATE THAT DEVELOPMENT RBIA'S REBATE SUFFICIENT;

B. AUDITORS' CERTIFICATE CERTIFYING THAT ENTIRE INCOME WHICH ACCRUED IN INDIA INCLUDED IN THE ACCOUNT;

C. AUDITORS' CERTIFICATE THAT DIVIDEND WITHIN CEILING OF DIVIDEND LIMITATION ACT;

D. FULL PARTICULARS OF "OTHER INCOME" IN PROFIT AND LOSS ACCOUNT;

E. TAX PROVISIONS FOR YEAR.

VERGESE CLAIMED THAT RBI REALLY HAS NO NEED FOR SUCH DETAILS, AND THAT REQUEST WAS TYPICAL EXAMPLE OF RBI PRACTICE OF ASKING FOR IRRELEVANT INFORMATION. IN BRIEF CONVERSATION AT COCKTAIL PARTY, PRAN PRASAD, CHAIRMAN OF MCNALLY-BHARAT, COMMENTED TO ECON/CMMHERCIAL OFFICER THAT AS LONG AS INDIA HAS BALANCE OF PAYMENTS PROBLEM, THE RBI WILL DELAY DIVIDEND REMITTANCE. WHATEVER THE CASE MAY BE, MCNALLY-BHARAT TOOK OVER THREE MONTHS TO SUBMIT THE INFORMATION REQUESTED.
KORN

UNQUOTE
SAXBE

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Message Attributes

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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
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Disposition History: n/a
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Margaret P. Grafeld
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06 JUL 2006

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